

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

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In the Matter of )  
 )  
Amendment of the Commission's ) GEN Docket No. 90-314  
Rules to Establish New Personal )  
Communications Services )

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MCI COMMENTS

MCI Telecommunications Corporation (MCI), by its attorneys, hereby submits its initial comments concerning the plan for non-structural safeguards (Plan) submitted on behalf of Pacific Bell, Nevada Bell, Pacific Bell Mobile Services and Pacific Telesis Mobile Services (collectively, Pacific) in the above-captioned docket. These comments are filed in response to the Commission's Public Notice (DA 95-1655) dated July 26, 1995, inviting interested parties to file comments on the Plan.

MCI respectfully submits that the Plan, as filed, contains insufficient information to permit the Commission or interested parties to assess whether the proposed safeguards will be adequate and effective, and thereby serve the public interest. Accordingly, MCI recommends that the Commission require Pacific to submit a revised plan addressing the issues identified herein if it wishes to proceed with its program.

The first issue is whether the licensee-entity, Pacific Telesis Mobile Services (PTMS), a wholly-owned subsidiary of Pacific Telesis Group (Plan, at 2), will, in fact, exercise

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control and supervision over the licensed system.<sup>1/</sup> Although the plan states that

PTMS has entered into a letter agreement under which Pacific Bell Mobile Services ("PBMS"), a wholly owned subsidiary of Pacific Bell, will design, construct, manage, operate and market services for PTMS

(Plan, at 4), neither the letter agreement itself nor a summary of its terms has been submitted for consideration in conjunction with the plan. Before the Commission can even begin to address the adequacy of the Plan, it must satisfactorily resolve the issue of whether the licensee, PTMS, will be in control of the licensed PCS facilities. The present record provides an inadequate factual basis upon which to base an affirmative conclusion. More information is clearly required.

The second issue, closely related to the first, is the failure of the Plan to describe fully the safeguards that will govern transactions between the licensee, PTMS, and its affiliates. The Plan, at 6, avers that Pacific Bell and Nevada Bell will "fully comply" with accounting safeguards in transactions with PBMS and PBMS. The accompanying footnote, however, notes "PTMS's limited role" and Pacific's "anticipat[ion] that Pacific Bell and Nevada Bell will provide only occasional legal and regulatory services to it at fully distributed cost." The revised Cost Allocation Manual (CAM) pages submitted with the Plan (Exhibit A) largely echo the Plan

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<sup>1</sup> The six factors relevant to licensee control are set forth in Intermountain Microwave, 24 RR 983 (1963). See also Public Notice, 1 FCC Rcd 3 (1986); Ellis Thompson Corporation, 76 RR2d 1125 (1994).

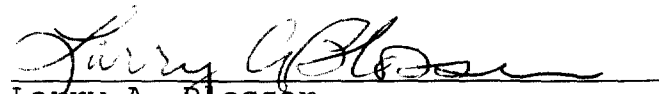
text, identifying PTMS as an affiliate which "will hold the PCS licenses" and describing categories of legal and regulatory services that Pacific Bell and Nevada Bell may provide to PTMS. Not unlike the Plan itself, the CAM suggests that PTMS may be no more than a "shell," lacking the resources necessary to exercise its responsibilities as a licensee.

In view of the foregoing, the Plan, in its present form, clearly fails to provide sufficient information to permit the Commission or interested parties to address the adequacy of the proposed safeguards. Additionally, it raises substantial unanswered questions with respect to PTMS's control of licensed facilities. For these reasons, MCI respectfully requests that the Commission invite Pacific to submit a revised plan and, upon receipt thereof, issue a further Public Notice inviting comment thereon.

Respectfully submitted,

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Dated: August 16, 1995

**CERTIFICATE OF SERVICE**

I, Vernell V. Garey, hereby certify that the foregoing "MCI COMMENTS", GEN Docket No. 90-314 was served this 16th day of August, 1995, by mailing true copies thereof, postage prepaid, to the following persons at the addresses listed below:


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